

1 AUG 1978

MEMORANDUM FOR THE RECORD

FROM:

[redacted]
Deputy Chief, Real Estate and Construction
Division, OL

SUBJECT: Proposed CIA/DIA Collocation/Consolidation

1. On 31 July 1978, G. Carter Baird of the House Appropriations Committee called requesting the following information by close of business the same date.

a. Confirmation that the last sentence of the DCI note (Executive Registry stamp dated 16 May) concerning the breakdown of components for the proposed DIA building should contain the abbreviation "DIA" rather than "DDA," and

b. The total SLUC figures for all overt Agency buildings in the Metropolitan Washington Area (MWA) other than those at Headquarters.

2. With the concurrence of the Director of Logistics and Mr. Ed Sherman, Office of Legislative Counsel, I advised Mr. Baird as follows:

a. The DCI note referred to above did contain a typographical error, and the abbreviation should read "DIA" rather than "DDA." Confirmation of this was made by [redacted] Secretary to the Director of Logistics, in telephone conversation with [redacted] of the DCI office who in turn confirmed it with [redacted] who had signed the note for the DCI, and

b. Fiscal Year 1977 SLUC costs for the MWA buildings total \$17,770,793 including \$9,661,162 for the Headquarters, Printing and Photography, and Motor Pool Buildings leaving a total of \$7,669,631 for all other MWA buildings.

cc: OLC (Ed Sherman)

Received 12 July
S. F. J.

PROJECT SUMMARY

CIA/DIA COLLOCATION/CONSOLIDATION

(as of 7 July 1978)

In early September the Director of Central Intelligence and the Secretary of Defense discussed the possibility of either collocating or consolidating the proposed new DIA headquarters facility at Langley with CIA rather than at Bolling Air Force Base, as currently planned by DIA. To that end, a representative of the Office of Logistics and a representative of the Defense Intelligence Agency prepared, during September, a joint staff study which concluded that DIA should proceed with construction at Bolling as planned. This conclusion was based on the belief that the DIA project would be delayed several years if collocation or consolidation at Langley was undertaken.

The DCI in early October rejected this study requesting that more detailed consideration be given to the advantages which would accrue from the project and that additional consideration be given to means by which approval and construction times could be decreased to the point that no delay in overall project completion would result. Another paper was prepared by Agency representatives (without DIA participation) which delineated in great detail the advantages which would result from the proposal and further indicated that the project could be completed without delay provided two conditions were met. First, approval for the Agency to contract directly on a negotiated basis with a single firm for both design and construction would be required so that both could proceed concurrently rather than consecutively as presently planned by DIA, and; second, direct participation by the DCI and possibly even the White House would be required to obtain Congressional approval and funding and local governmental approval within a maximum of 9 months.

The DCI accepted this revised study and, in early November, provided the study to the Secretary of Defense for his consideration. The DCI further urged that the Secretary of Defense proceed in the direction of collocation or consolidation. Subsequently, DIA representatives requested and obtained detailed briefings from the Agency based on which they could prepare a response from the Secretary of Defense to the DCI on his proposal. No response was forthcoming.

CIA/DIA COLLOCATION/CONSOLIDATION (Continued)

In January 1978, construction funding for the proposed DIA building at Langley was apparently deferred 1 year by the President removing one of the key objections, i.e. construction delay, which the Secretary of Defense had to the project. The DCI and Secretary of Defense resumed an inconclusive dialogue about the construction, but on 4 May the Deputy Secretary of Defense officially advised the DCI that he planned to proceed with construction at Bolling AFB based on cost, anticipated delays, and a desire not to create the perception of joint analytical centers.

During May the DCI requested and received additional data which would allay the concerns of the Secretary of Defense, and presumably this data was discussed with the Secretary of Defense in their periodic meetings. Specifically, the DCI requested and received additional data on cost savings which would result from consolidation and on what DIA elements could be "peeled off" and put elsewhere so only the basic analytical elements would come to Langley. This latter option had been explicitly suggested by the Secretary of Defense.

STAT On 7 July, [] advised the CIA focal point officer of discussions he was having with House Appropriations Committee staffers on the project and the fact that these staffers would be contacting CIA on the project.

Chronology

	7 September	DCI/Sec Def discussion re proposed DIA Building. DCI comments: (1) building smaller and (2) locate at Langley.	
	12 September	A/DDA tasked to prepare paper.	
STAT	14 September	Note fm [] to DCI forwarding July Feasibility Study for new construction at Langley to Consolidate CIA (external).	
	15 September	Memo to DCI fm Sec Duncan asking for feasibility decisions with 3 weeks and designating []	STAT
	?	Memo fm DCI to Duncan designating []	STAT
	19 September	Memo to DCI fm McMahon re use of MILCON funds.	
	21, 22 & 27 September	Further questions re July Feasibility Study fm DCI.	
	2 October	Memo to Agency specialists asking help.	
STAT	7 October	[] Feasibility Study submitted pros and cons. Recommended: (1) DIA continue as planned and (2) Future - more coordinated planning. [] concurred.	STAT
STAT	11 October	[] withdraws concurrence because although recommended DIA proceed, arguments not strong enough and opens door for "CIA Takeover" per [] fm [] (DIA Comptroller). Note sent fm [] to DCI relating above.	STAT
STAT	12 October	MFR re [] conversation giving more info on withdrawal of concurrence.	
	End of Week of 11 October	Memo and comments fm DCI re study--terrible, etc. Requests more info. [] withdrew fm study. Letter fm DCI to Duncan saying dissatisfied and have [] regroup and get more info.	STAT STAT

Chronology (continued)

19 October Telecon w/ [redacted]. He will help get certain info, when ready, and will not expand study w/o DCI and DOD direction. We propose having specialists examine DIA ops and he refuses until directed.

19 October Note fm DCI asking why we haven't completed getting new info.

21 October Memo to CIA reps asking assistance on study.

25 October McMahon got DIA to cooperate on new study.

3 November New study completed and forwarded.

10 November Ltr fm DCI to Sec Def forwarding new study and urging consolidation.

November Series of meeting for DIA officers on new study.

5 January DIA construction at BAFB deferred FY-79 to FY-80 by President.

20 January DCI and Sec Def inconclusively discuss proposed collocation.

February/March DIA still massaging new study.

20 April DCI request on duration and steps required for construction at Langley.

27 April Response

4 May Memo to DCI fm ^{Dep.} Sec Def saying DIA is going to Bolling AFB.

9 May Memo to DCI on cost savings for consolidation

May Oral request fm DCI re what components planned for building and what could be spun off.

23 May Response.

May Oral request fm DCI re additional clarification on 23 May memo.

31 May Response

STAT

Chronology (continued)

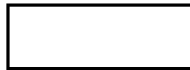
31 May

Request fm DCI to look at it from DIA's point of view and suggest components for collocation.

1 June

Response.

7 July



*advised House Appropriations
staffers reviewing proposals.*

STAT